APPENDIX V.

CHAPTER III.—ARTICLE 52.

Rules relating to Mysore Income-tax.

Part I.

Extracts from the Mysore Income-tax Regulation 1923 (V of 1923) with supplementary notes and instructions.

Short title, extent and commencement.

1. (1) This Regulation may be called the Mysore Income-tax Regulation, 1923.

(2) It extends to the whole of Mysore,

2. In this Regulation, unless there is anything repugnant in the subject or context,—

Definition.

(2) "assessee" means a person by whom Income-tax is payable ;

(7) "Income-tax Officer" means a person appointed to be an Income-tax Officer under section 5 ;

(9) "person" includes a Hindu undivided family ;

(10) "prescribed" means prescribed by rules made under this Regulation ;

(11) "previous year" means—

(*a*) the twelve months ending on the 30th day of June next preceding the year for which the assessment is to be made.

(15) "Total income" means total amount of income, profits and gains from all sources to which this Regulation applies computed in the manner laid down in section 16;

CHARGE OF INCOME-TAX.

Charge of Income-tax.

3. Income-tax shall be charged for each year, at the rate or rates specified in Schedule I, in accordance with and subject to the provisions of this Regulation, in respect of all income, profits and gains of the previous year of every individual.

Application of Regulation.

4. (1) Save as hereinafter provided, this Regulation shall apply to all income, profits or gains, from whatever source derived, accruing or arising, or received in Mysore, or deemed under the provisions of this Regulation to accrue, or arise, or to be received in Mysore.

(3) This Regulation shall not apply to the following classes of income:—

(i) Any income derived from property held under trust or other legal obligation wholly for religious

or charitable purposes, and in the case of property so held in part only for such purposes, the income applied or finally set apart for application, thereto.

(ii) Any income of a religious or charitable institution derived from voluntary contributions and applicable solely to religious or charitable purposes.

(iv) Interest on securities which are held by, or are the property of, any Provident Fund to which the Provident Funds Regulation, 1916, applies.

(v) Any capital sum received in commutation of the whole or a portion of a pension, or in the nature of consolidated compensation for death or injuries, or in payment of any insurance policy, or as the accumulated balance at the credit of a subscriber to any such Provident Fund.

(vi) Any special allowance, benefit or perquisite specifically granted to meet expenses wholly and necessarily incurred in the performance of the duties of an office or employment of profit.

(vii) Any receipts not being receipts arising from business or the exercise of a profession, vocation or occupation, which are of a casual and non-recurring nature, or are not by way of addition to the remuneration of an employee.

(ix) Interest received on any security of the Government of India.

In this sub-section "Charitable purposes" includes relief of the poor, education, medical relief, and the advancement of any other object of general public utility.

NOTE 1.—The following are the allowances which are not taxable under exceptions VI and VII of the above section and under exemptions granted by Government under Section 60:—

1. Travelling allowance.
2. Tentage and horse allowance.
   This is subject to the condition that the officer concerned has provided and actually maintains the camp equipage of his rank in a serviceable condition.
3. Permanent monthly travelling allowance.
4. Conveyance allowance.
5. Any allowance granted to meet specific expenditure such as compensation for dearness of provisions, etc.

On Railways—

6. Night allowances to guards and drivers (para 117 Mysore Railway Code Vol. I.)
7. Water allowances.
8. Allowances to Station Masters for handling (loading and unloading) goods.

NOTE 2.—An Officer cannot be permitted to forego pay or other allowances in order to avoid the incidence of authorised taxation.

INCOME-TAX AUTHORITIES.

Income-tax authorities.

5. (1) There shall be the following classes of Income-tax authorities for the purposes of this Regulation, namely:—

(*a*) Commissioner of Income-tax,
(*b*) Deputy Commissioners of Income-tax, and
(*c*) Income-tax Officers.

TAXABLE INCOME,

Salaries.

7. (1) The tax shall be payable by an assessee under the head "Salaries" in respect of any salary or wages, any annuity, pension or gratuity, and any fees, commissions, perquisites or profits received by him in lieu of, or in addition to, any salary or wages, which are paid by or on behalf of Government, or a local authority.

Provided that the tax shall not be payable in respect of any sum deducted under the authority of Government from the salary of any individual for the purpose of securing to him a deferred annuity or of making provision for his wife or children, provided that the sum so deducted shall not exceed one-sixth of the salary.

Explanation.—The right of a person to occupy free of rent as a place of residence any premises provided by his employer is a perquisite for the purposes of this sub-section.

NOTE.—1. The cash value to be fixed for such quarters for the computation of income-tax should be on the basis of the rental of similar buildings in the locality but subject to a minimum of eight per cent of the capital cost of the building and a maximum of ten per cent of the salary of the officer exclusive of perquisites. (*Government Order No. Fl. 3571-80—I. T. 36-23-2, dated 4th January 1924.*

NOTE.—2. Fees for conducting an examination when the conduct of the examination is not part of the Officer's ordinary duties are not chargeable as salaries, but as income from other sources under section 12.

NOTE.—3. "Salary" shall include the undermentioned allowances:—

1. Acting allowance.
2. Charge allowances.
3. Personal allowances.
4. Duty allowance.

(As defined in the Mysore Service Regulations.)

5. Local and Malnad allowances.
6. Allowances for house rent or the value of rent free quarters.
7. Exchange compensation allowance.
8. Staff allowances (unless they are given in lieu of Travelling Allowance.)

On Railways:—

9. Mileage allowance to guards (para 117, Mysore Railway Code, Vol. I.)

10. Overtime and trip allowance including relieving allowance of Locomotive and Traffic Staff (paras 122 and 126 Mysore Railway Code Vol I.)

11. Bonuses under paras 118 and 119 Mysore Railway Code Vol. I.

NOTE 4.—The tax is leviable on the gross salary, subject however, to deductions of such portion of the salary as—

(1) is deducted under the rules for the Mysore State Life Insurance, State Provident Fund and Family Pension Fund.

Contributions to the State Family Pension Fund are exempt only if the beneficiaries are the Officers' wife and children.

Repayments of the advances allowed under Rule 10 of State Provident Fund rules are not exempt from income-tax. The same principle applies to State Railway Provident Fund.

Voluntary deposits in Railway Provident Fund, Savings Banks and Savings Associations which are held at the absolute disposal of the contributor or depositor are not exempt.

(2) is deducted as fine inflicted by the head of an office or department or by Government.

A portion of salary withheld under an order of a Court is not a sum compulsorily stopped from salary within the meaning of this clause and is hence liable to income-tax.

Provided that (1) the total amounts deducted under (1) do not exceed one-sixth of the salary in an official year.

(2) The above deductions with the exception of those under (2) are not taken into account in determining whether the income is liable to the tax or in determining the rate at which the tax shall be leviable.

Advances of pay and other advances made by Government to its officers are not chargeable to income-tax and no allowance is admissible in respect of sums deducted from salary in repayment of such advances.

(2) Any income which would be chargeable under this head if paid in Mysore shall be deemed to be so chargeable if paid to a Mysore subject or any employee of the Government of Mysore outside Mysore by Government or by a local authority established by Government.

NOTE.—British pensioners residing in Mysore will pay to the Mysore Government the tax on their income and to the British Indian Government only the difference between the British Indian Income-tax payable on the pension and the tax levied thereon in Mysore, while Mysore pensioners living in British India will pay tax only to the Government of India and will pay no tax to Mysore Government on their pensions so long as the Mysore rates are lower than those of British India (*Government Order No. Fl. 326-36—I. T. 23-21-13, dated 18th July 1924.*).

Interest on securities.

8. The tax shall be payable by an assessee under the head "Interest on securities" in respect of the interest receivable by him on any security of the Government of Mysore, or on debentures or other securities for money issued by or on behalf of a local authority or a company.

Provided that no income-tax shall be payable on the interest receivable on any security of the Government of Mysore issued or declared to be income-tax free.

NOTE.—The following classes of income shall be exempt from income-tax but shall be taken into account under section 16 (1) in determining the total income of the assessee for the purpose of deciding whether he is liable to income-tax and also for determining the rate at which he shall pay income-tax on his other income:—

1. The interest on the following Securities of the Government of His Highness the Maharaja of Mysore:—

(i) The Twenty-year 6¼ per cent Bonds of 1920;
(ii) The ten year 7 per cent bonds of 1921; and
(iii) The Twenty to Thirty-year 6½ per cent bonds of 1921.

2. The income derived from debentures issued by District Boards and Municipalities in the State which carry interest at 6 per cent or less. (For three years from 1st July 1925 *Government Order No. Fl. 3427—I. T. 22 25-2, dated 15th December 1925.*

Exemption in the case of life insurances.

15. (1) The tax shall not be payable by an assessee in respect of any sums paid by him to effect an insurance on his own life or on the life of his wife, or in respect of a contract for a deferred annuity on his own life or on the life of his wife, or as a contribution to any Provident Fund to which the Provident Funds Regulation, 1916, applies.

(2) Where the assessee is a Hindu undivided family, there shall be exempted under sub-section (1) any sums paid to effect an insurance on the life of any male member of the family or of the wife of any such member.

(3) The aggregate of any sums exempted under this section shall not, together with any sums exempted under the proviso to sub-section (1) of section 7, exceed one-sixth of the total income of the assessee.

NOTE 1.—These exclusions may be made at the time of the payment of "Salaries." It is not the duty of the Audit Officer or the Head of an office who makes the deductions from the pay of the Government servants to see that the allowances claimed do not exceed one sixth of the income of the assessee. This should be done by the Income-tax officer on receipt of the annual returns prescribed in section 21.

NOTE 2.—If a life insurance premium is payable in sterling, the amount to be excluded from gross salary, etc., is the actual cost of remittance as stated by the assessee or if the assessee is unable to state such actual cost, the equivalent in rupees of the sterling payment calculated at the official rate of exchange prevailing at the time the abatement of income-tax is claimed.

NOTE 3 (a).—A claim to reduction in the amount of salary pension or annuity liable to assessment, on account of payment made to a Life Insurance Company or to a Family Pension Fund (if the payment is made otherwise than by deduction from salary) must be supported either by :—

1. the original receipt of the Insurance Company, or

2. (In the case of deductions claimed bya servant of the Government or of a local authority) a copy of the same presented together with the original to the officer who pays the salary and attested by that officer who should after such attestation return the original with a note endorsed upon it that it has been produced and allowed deduction for, the copy being attached to the bill sent with the list of payments; or

3. a duplicate receipt or certificate of payment given by the Insurance Company provided a certificate is given that the original receipt is lost or is not forthcoming and that abatement has not been claimed and admitted on the original receipt previously.

4. In the case of a deduction claimed by a servant of a local authority or of the Palace on account of contributions to the State Life Insurance Fund or the State Family Pension Fund by a certificate of the Disbursing Officer that the deductions claimed have been credited to the Fund or Funds concerned.

(*b*) In cases (1) and (3) the receipt or certificate should be forwarded with the bill to the Account Office whence it will be returned as soon as the fact of payment is admitted in due course of audit.

(*c*) Where the Income-tax Officer is satisfied that none of the above prescribed documents can be produced without an amount of delay, expense or inconvenience which, under the circumstances of the case, would be unreasonable, he may accept such other proof of payment of the premium as he may deem sufficient. He must however in all cases receive and adjudicate the claims to the remissions in sufficient time to prevent of bills being postponed pending the adjudications.

NOTE 4.—An abatement of income-tax on a life insurance premium may be allowed (1) whenever salary is drawn in the official year within which the premium is paid or (2) whenever the premium in respect of which the abatement is claimed has been paid within six calendar months ending with the close of the month for which the salary is drawn. (*G O. No. R. 486-7—I. T. 4-21-2, dated 25th July 1921.*)

Exemptions and exclusions in determining the total income.

16. (1) In computing the total income of an assessee sums exempted under the proviso to sub-section (1) of section 7, and section 15, shall be included.

Reduction of tax when margin above a certain limit is small.

17. Where owing to the fact that the total income of any assessee has reached or exceeded a certain limit, he is liable to pay income-tax or to pay income-tax at a higher rate, the amount of income-tax payable by him shall, where necessary, be reduced so as not to exceed the aggregate of the following amounts, namely:—

(*a*) the amount which would have been payable if his total income had been a sum less by one rupee than that limit, and

(*b*) the amount by which his total income exceeds that sum.

NOTE.—Any refund on account of reduction of tax allowed in this section will be claimed at the end of the year from the Income-tax officer.

Deductions and Assessment.

Payment by deduction at source.

18. (1) Income-tax shall, unless otherwise prescribed in the case of any security of the Government of Mysore, be leviable in advance by deduction at the time of payment in respect of income chargeable under the following heads :—

(i) " Salaries"; and

(ii) " Interest on securities."

(2) Any person responsible for paying any income chargeable under the head " Salaries " shall at the time of payment, deduct income-tax on the amount payable, at the rate applicable to the estimated income of the assessee under this head :

Provided that such person may, at the time of making any deduction, increase or reduce the amount to be deducted under this sub-section for the purpose of adjusting any excess or deficiency arising out of any previous deduction or failure to deduct.

Note 1.—In calculating the amount of tax payable, the amount due on a fraction of a rupee shall be neglected. (*Vide* also section 36.)

Note 2.—Under the above section income-tax leviable on salaries should be deducted at the time of payment of the same and it is to be recovered monthly if salary is paid monthly and credited to Government under the head " Income-tax ". The officers responsible for the deduction of income-tax on " Salaries " are the following :—

1. The Comptroller or other Audit Officer in Bangalore for all Gazetted Officers, (including in this term) Amildars, and others who draw their pay on separate bills (Form No. 11) and whose bills are preaudited.

2. Treasury Officers for all Gazetted Officers and others who draw their pay from treasuries on separate bills and also for all pensioners and gratuitants, who draw their pensions and gratuities from treasuries.

Note.—The term " Treasuries " and " Treasury Officers " include " Taluk Treasuries " and " Taluk Treasury Officers."

3. Heads of offices, and schools, colleges and other Government institutions for all non-gazetted officers whose pay is drawn on establishment bills.

4. Disbursing officers in the Survey and Industries and Commerce Departments in respect of the establishment under them, the salaries of which are paid by cheques.

The Deputy Superintendent, Revenue Survey, will be treated as the disbursing officer for the Revenue Survey Department and the Director, for the Industries and Commerce Department, for the purpose of this rule.

5. The Auditor, Mysore Railways, for all Railway Employees under his audit.

NOTE 3.—The income-tax should be calculated on the estimated income of the assessee for the year. Any short recovery or excess recovery in the previous month or months may be subsequently recovered or paid by deduction when disbursing or paying the salary. The deduction should not be made in those cases in which it is clear that the total annual income will be below the taxable minimum, although owing to the inclusion of arrears relating to previous months, the amount drawn in any particular month exceeds the monthly limit of Rs. 200. (*G. O. No. 2534-6—I. T. 12-22-2, dated 8th December 1922*).

NOTE 4.—The deduction of tax from a gratuity should be at the rate applicable to the gratuity taken by itself. Thus no deduction will be made from a gratuity of less than Rs. 2,400.

18. (3) The person responsible for paying any income chargeable under the head "interest on securities" shall at the time of payment, deduct income-tax on the amount of the interest payable at the maximum rate.

Note 1.—(Para 40 A of the rules issued in (G. O. No. Fl. 911—I. T. 48-22-26, dated 7th August 1923.)

Where the Income-tax Officer is satisfied that the total income of a holder of a Government Security liable to income-tax, is below the taxable minimum or, is not likely to fluctuate so widely as to alter the rate appropriate to the total income, he may, on application made to him in this behalf, issue a certificate authorising the person paying the interest on securities to make no deduction of tax or to deduct the tax at a lower rate than the maximum. Such a certificate should be in the following form:—

Form of certificate to be given to a person paying income-tax at a rate less than the maximum rate on interest received on securities.

Income-tax Office.....

Dated.....192 .

To

.....

.....

.....

I hereby authorise (1)..... (1) Name and address of person paying the interest.

.....

to deduct income-tax at the rate of (2).....—.... (2) Rate of income-tax sanctioned.

pies in the rupee when paying interest on the following securities to their present holder (3)..... (3) Name of person receiving interest.

This authorisation will remain in force until cancelled by me.

Description of securities.

.....

Income-tax Officer.

Note 2.—On the production of such a certificate the person responsible for paying the interest shall make the deduction at the rate stated therein and not at the maximum rate.

When any exemption is allowed or a lower rate is levied the Treasury Officer should record in the payees' receipt that the prescribed certificate has been produced and note the fact in the column "deduction of Income-tax" in the Register of payments of interest on pro-notes.

(4) All sums deducted in accordance with the provisions of this section shall, for the purpose of computing the income of an assessee, be deemed to be income received.

(5) Any deduction made in accordance with the provisions of this section shall be treated as a payment of income-tax on behalf of the person from whose income the deduction was made, or of the owner of the security, as the case may be, and credit shall be given to him therefor in the assessment, if any, made for the following year under this regulation:—

Provided that, if such person or such owner obtains, in accordance with the provisions of this Regulation, a refund of any portion of the tax so deducted, no credit shall be given for the amount of such refund.

(6) All sums deducted in accordance with the provisions of this section shall be paid within the prescribed time by the person making the deduction to the credit of the Government of Mysore, or as the Government directs.

NOTE.—In calculating the amount of tax payable, the amount due on a fraction of a rupee shall be neglected. (*Vide.*, also section 36.)

(7) If any such person does not deduct and pay the tax as required by this section, he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

(8) The power to levy by deduction under this section shall be without prejudice to any other mode of recovery.

(9) Every person deducting income-tax in accordance with the provisions of sub-section (3) shall, at the time of payment of interest, furnish to the person to whom the interest is paid a certificate to the effect that income-tax has been deducted, and specifying the amount so deducted, the rate at which the tax has been deducted, and such other particulars as may be prescribed.

NOTE 1.—A similar certificate will be furnished in cases where any exemption is allowed or a lower rate is levied under note 2 to sub-section 3.

NOTE 2.—(Para 13 of the rules issued in G. O. No. Fl. 911—I. T. 48-22-26, dated 7th August 1923).

The certificate to be furnished under this section by any person paying interest chargeable to income-tax on any security of the Government of Mysore shall be in the following form:—

Draft No. (1.) ....

Certified that Rs. ..... being income-tax at the rate of .... pies per rupee has been deducted by draft of this date from Rs. ..... being the amount of interest.

for Rs.....
on (2)..... for Rs. .....standing in the name
for Rs. ....
of.....

.....192 . *Superintendent or Principal Officer.*

(1) This number also appears in the interest cages on the back of the security.

(2) Name of security.

TO BE SIGNED BY CLAIMANT.

I hereby declare that the securities on which interest as above specified has been received were my own property and were in the possession of .....at the time when income-tax was deducted.

Signature.....

Date.....

(*N. B.*—The securities to be produced when required in support of any claim.)

NOTE 3.—(Para 13 A of the rules.) The certificate to be furnished by the person paying any interest on debentures or other securities for money issued by or on behalf of a local authority or company shall be in the following form:—

Name of local $\frac{\text{authority}}{\text{company}}$.....

Address.....

To

.....
.....
.....

I hereby certify that Rs. ..... being Income-tax at the rate of $\frac{\text{I}}{\text{We}}$

of .....pies per rupee has been deducted from Rs. ..... being the amount of interest at the rate of ..... per cent per annum due*.....on debentures Nos. .....of Rs. ..... each of the†.....and that it has been or will, within the prescribed period, be paid by $\frac{\text{me}}{\text{us}}$ to the Government of Mysore at....

..... *Principal Officer or Managing Agents.*
.....192 .

*The date on which interest is payable.

† Here enter the names of the local authority or the company.

TO BE SIGNED BY CLAIMANT.

I hereby declare that the securities on which interest as above

specified has been received were my own property and were in the possession of .....at the time when income-tax was deducted.

Signature.....
Date.....

(*N. B.*—The securities to be produced when required in support of any claim.)

Payment in other cases.

19. In the case of income chargeable under any other head than those mentioned in sub-section (1) of section 18, and in any case where income-tax has not been deducted in accordance with the provisions of that section, the tax shall be payable by the assessee direct.

Annual return.

21. The prescribed person in the case of every Government office, and the principal officer or the prescribed person in the case of every local authority, shall prepare, and, within thirty days from the 30th day of June in each year, deliver or cause to be delivered to the Income-tax Officer in the prescribed form a return in writing showing—

(*a*) the name and, so far as it is known, the address, of every person who was receiving on the said 30th day of June, or has received during the year ending on that date;

(*b*) the amount of the income so received by each such person and the time or times at which the same was paid;

(*c*) the amount deducted in respect of income-tax from the income of each such person.

NOTE 1.—(Para 15 of the rules issued in Government Order No. Fl. 911—I. T. 48-22-26, dated 7th August 1923.)

The returns for Government Officers under this section shall be prepared and submitted to the Income-tax Officer by—.

1. The Comptroller or other Audit Officer for all Gazetted Officers (including in this term Amildars) and others who draw their pay on separate bills and whose bills are preaudited.

2. Treasury Officers for all Gazetted Officers and others who draw their pay from treasuries on separate bills and also for all pensioners (including British pensioners drawing pension in Mysore) and gratuitants who draw their pensions and gratuities from treasuries.

NOTE.—The term "Treasuries" and Treasury Officers" include "Taluk Treasuries and "Taluk Treasury Officers."

3. Heads of offices and schools, colleges and other Government institutions for all non-gazetted officers whose pay is drawn on establishment bills.

4. Disbursing officers in the Survey Department and in the Industries and Commerce Department in respect of the establishments under them, the salaries of which are paid by cheques.

5. The Auditor, Mysore Railways, for all railway employees under his audit.

6, In the case of persons not covered by the above, such person as the Income-tax Officer may call upon to make the return.

The return should contain complete information as to the total salary drawn by an officer during the whole year. If, therefore, an

officer has been transferred from another district, the Treasury Officer by whom the officer happens to be paid at the time of issue of the return, should ascertain from the other Treasury Officers concerned the total salary drawn from the beginning of the year to the date of transfer and include it in his return.

NOTE 2.—To obviate the delay and inconvenience in obtaining the information which is likely to occur when the annual return has to be prepared for the Income-tax Officer, the Treasury Officer when issuing a last pay certificate to an officer, should prepare and attach to it a memorandum in the form prescribed in note 4 giving the information worked up to the date of the last payment.

(1) The Treasury Officer of the place, to which the officer is transferred and to whom the last pay certificate has to be surrendered by the transferred officer in support of his first salary bill presented at the treasury, should see that it is accompanied by a memorandum in the same form showing the deductions on account of income-tax made at the last treasury of payment. Payment of the first bill should not be refused in case the memorandum is not produced, but steps should at once be taken to obtain the memorandum from the Treasury Officer concerned. The memorandum will be filled in from the Register of Gazetted Officers drawing their salaries maintained at the Treasury.

(2) In the case of non-gazetted officers whose pay is drawn on establishment bills the memorandum in the annexed form should be prepared by the head of the office if he is himself the disbursing officer and attached to the last pay certificate of the officer under transfer. But when non-gazetted officers whose pay is drawn from the treasury on separate bills, are transferred, the head of the office on whose countersignature the pay bill is paid should obtain the memorandum from the Treasury Officer of his district, and attach it to the last pay certificate granted by him to the officer transferred for presentation with his bill at the treasury of the district to which he is transferred. If the bills are not countersigned, the last pay certificate and memorandum will be obtained direct from the treasury by the officer transferred. The memorandum in respect of these non-gazetted officers will be prepared from a register maintained in the following form, by all Treasury Officers who grant last pay certificates for officers who draw their salary on separate bills, and by the heads of offices and schools, colleges and other Government institutions and disbursing officers in the Survey Department and in the Industries and Commerce Department who are required to grant such certificates when members of their establishments whose salaries are drawn on establishment pay bills signed by them are transferred. The register will include the names of all such officers whose annual income amounts to Rs. 2,000 and more.

(3) Thus if an officer is transferred from District A to District B in October, he will bring his memorandum from July to September. The Treasury Officer or the head of the office will utilise the information in July next for his annual return. But if the officer is again transferred in February from District B to District C, the Treasury Officer or the head of office in District B will fill in the figures for October to January in the same memorandum and thus will enable the Treasury Officer or the head of the office in District C to prepare the annual return.

Details of deductions on account of income-tax made from the salary bills of Mr..... paid by .....office or treasury.

Month in which salary is drawn	Income				Deductions			Net amount on which income-tax was charged	Income-tax actually recovered
	Gross salary	Remuneration			State Provident Fund	Mysore State Life Insurance Premia, Official Branch			
1	2	3	4	5	6	7	8	9	10
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
July ..									
August ..									
September ..									
October ..									
November ..									
December ..									
January ..									
February ..									
March, etc., ..									
12 months Total..									

NOTE 3.—(Para 16 of the rules.) The minimum income under the head "Salaries" referred to in clause (*a*) of the above section, shall be Rs. 2,000 per annum.

NOTE 4.—(Para 17 of the rules.) The return to be delivered to the Income-tax Officer under the above section shall be in the following form:—

Serial number	Name of person	Postal address of residence	Appointment or nature of employment	Months	Total amount of salary, wages, annuity or pension paid during the year ending on the 30th June 192 .	Amount of gratuity, fees, commission, perquisites (including rent free quarters) or profits in lieu of or in addition to salary or wages	Total of columns 6 and 7	Deductions, sections 7 (1) proviso, section 15	Net amount chargeable	Amount of tax payable	Reduction under section 17	Amount of tax deducted	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14
				July August September October November December January February March April May June									

I certify that the above statement contains a complete list of the total amounts paid by ..... to all persons who were receiving income on the 30th day of June 192 , at the rate of Rs. 2,000 per annum, or have received during the year ended on that day not less than Rs. 2,000 in respect of salary, wages, annuity, pension, gratuity, fees, commission, perquisites, or profits in lieu of or in addition to salary or wages, and that all the particulars stated are correct.

Signature of person by whom the return is

Dated.....192 . delivered.

(2) In the case of any person other than a company whose total income is, in the Income-tax Officer's opinion, of such an amount as to render such person liable to income-tax, the Income-tax, Officer shall serve a notice upon him requiring him to furnish, within such period, not being less than thirty days as may be specified in the notice, a return in the prescribed form and verified in the prescribed manner setting forth (along with such other particulars as may be provided for in the notice) his total income during the previous year.

(3) If any person has not furnished a return within the time allowed by or under sub-section (1) or sub-section (2), or having furnished a return under either of those sub-sections, discovers any omission or wrong statement therein, he may furnish a return or a revised return, as the case may be, at any time before the assessment is made, and any return so made shall be deemed to be a return made in due time under this section.

Income escaping assessment.

34. If for any reason, income, profits or gains chargeable to income-tax has escaped assessment in any year, or has been assessed at too low a rate, the Income-tax Officer may, at any time within one year of the end of that year, serve on the person liable to pay tax on such income, profits or gains, or, in the case of a company, on the principal officer thereof, notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 22, and may proceed to assess or re-assess such income, profits or gains, and the provisions of this Regulation shall, so far as may be, apply accordingly as if the notice were a notice issued under that sub-section:

Provided that the tax shall be charged at the rate at which it would have been charged had the income, profits or gains, not escaped assessment, or full assessment, as the case may be.

Tax to be calculated to nearest anna.

36. In the determination of the amount of tax or of a refund payable under this Regulation, fractions of an anna less than six pies shall be disregarded, and fractions of an anna equal to or exceeding six pies shall be regarded as one anna.

Liability in Special Cases.

Guardians, trustees and agents.

40. In the case of any guardian, trustee or agent of any person being a minor, lunatic or idiot or residing out of Mysore (all of which persons are hereinafter in this section included in the term beneficiary) being in receipt on behalf of such beneficiary of any income, profits or gains chargeable under this Regulation, the tax shall be levied upon and recoverable from such guardian, trustee or agent as the case may be in like manner and to the same amount as it would be leviable upon and recoverable from any such beneficiary if of full age, sound mind or resident in Mysore, and in direct receipt of such income, profits or gains, and all the provisions of this Regulation shall apply accordingly.

Recovery of Tax and Penalties.

46. (5) If any assessee is in receipt of any income chargeable under the head "Salaries," the Income-tax Officer may require any person paying the same to deduct from any payment subsequent to the date of such requisition, any arrears due from such assessee, and such person shall comply with any such requisition, and shall pay the sums so deducted to the credit of the Government, or as the Government directs.

Refunds.

48. (3) If the owner of a security from the interest on which, or any person from whose salary, income-tax has been deducted in accordance with the provisions of section 18, satisfies the Income-tax Officer that the rate of in come-tax applicable to his total income of the previous year was less than the rate at which income-tax has been charged in making such deduction in that year, he shall be entitled to a refund on the amount of interest or salary from which such deduction has been made calculated at the difference between those rates.

Relief in respect of United Kingdom income-tax.

49. (1) If any person who has paid Mysore income-tax for any year on any part of his income proves to the satisfaction of the Income-tax Officer that he has paid United Kingdom income-tax for that year in respect of the same part of his income, and that the rate at which he was entitled to, and has obtained, relief under the provisions of section 27 of the Finance Act, 1920, is less than the Mysore rate of tax charged in respect of that part of his income, he shall be entitled to a refund of a sum calculated on that part of his income at a rate equal to the difference between the Mysore rate of tax and the rate at which he was entitled to, and obtained, relief under that section:

10 and 11 Geo. V., Ch. 18.

Provided that the rate at which the refund is to be given shall not exceed one-half of the Mysore rate of tax.

(2) In sub-section(1)—

(*a*) the expression "Mysore income-tax" means income-tax and super-tax charged in accordance with the provisions of this Regulation;

(*b*) the expression "Mysore rate of tax" means the amount of the Mysore income-tax divided by the income on which it was charged;

(*c*) the expression "United Kingdom income-tax" means income-tax and super-tax chargeable in accordance with the provisions of the Income-tax Acts.

MISCELLANEOUS.

Power to make rules.

59. (1) The Government may make rules for carrying out the purposes of this Regulation and for the ascertainment and determination of any class of income. Such rules may be made for the whole of Mysore or for such part thereof as may be specified.

Power to make exemptions, etc.

60. The Government may by notification in the Official Gazette make an exemption, reduction in rate or other modification, in respect of income-tax, in favour of any class of income, or in regard to the whole or any part of the income of any class of persons.

NOTE.—The following classes of income shall be exempt from income-tax and shall not be taken into account in determining the total income of an assessee for the purposes of the said Regulation:—

1. Scholarships granted to meet the cost of education.
2. Such portion of the income of a member of His Highness' Military Forces as is compulsorily deducted from his salary by the orders, or with the approval of the Government for payment, to a Provident Fund.
3. The allowances attached to—

   the Victoria Cross;
   the Military Cross;
   the Order of British India;
   the Indian Order of Merit;
   the Indian Meritorious Service Medal.
4. The interest on deposits in the Mysore Government Savings Bank.
5. The income derived by the Mysore University or other educational institutions existing solely for educational purposes and not for purposes of profit from fees and other receipts of a similar character.
6. The gratuities which are granted to non-pensionable subscribers to a Railway Provident Fund on their retirement or in the event of their death while in service to their widows or children dependent on them. (*G. O. No. Fl. 1010—I. T. 48-22-28, dated 14th August 1923.*)

SCHEDULE I.

RATE OF INCOME-TAX.

(*Section 3.*)

A. In the case of every individual, every unregistered firm and every undivided Hindu family—

(1) When the total income is less than Rs. 2,400	.. Nil.
(2) When the total income is Rs. 2,400 or upwards but less than Rs. 9,000	.. 3 pies in the rupee.
(3) When the total income is Rs. 9,000 or upwards but is less than Rs. 25,000	.. 4½ pies in the rupee.
(4) When the total income is Rs. 25,000 or upwards but is less than Rs. 40,000	.. 6 pies in the rupee.
(5) When the total income is Rs. 40,000 or upwards but is less than Rs. 50,000	.. 9 pies in the rupee.
(6) When the total income is Rs. 50,000 or upwards	.. 1 anna in the rupee.
B. In the case of every company and every registered firm, on all incomes not below Rs. 2,400	.. 1 anna in the rupee.

Part II.

Accounts Procedure.

1. The Treasuries, the Account Offices, and the Heads of Offices are responsible for deducting at the time of payment the income-tax leviable on salaries and it is therefore obligatory on the part of the drawers of bills to exhibit the deductions to be effected in bills before they are presented for payment at the Treasuries or sent to the Comptroller for preaudit and payment.

2. The drawers of bills will show the recovery to be effected under a distinct head "Income-tax" in the statement of deductions on Form 11 M. A. C., Vol. I, if they are Gazetted Officers or officers authorised to draw separately in the form provided for Gazetted Officers. In the case of establishments whose pay is drawn from Treasuries on establishment bills (Form 16 M. A. C., Vol. I), by the heads of offices, schools, colleges, or other Government institutions, the total amount to be deducted on account of income-tax must be shown at the foot of the bill along with the deductions on account of State Life Insurance Fund, etc., and a separate statement in Form 51 prepared and appended to the bill, in support thereof.

3. The disbursing officers in the Survey and Industries and Commerce Departments who disburse salaries of their establishments by drawing cheques will show the deductions in their office copies of bills and in those sent to Audit Office as vouchers along with their departmental accounts, in the same manner as in the case of officers presenting bills at the treasury.

4. Under the procedure in force, the Treasury Officers are required to charge the net amounts of bills in the list of payments sent to the Account Office. Deductions on account of income-tax will be shown along with other deductions in the column provided for in the list of payments.

5. The monthly account submitted by the Deputy Superintendent, Revenue Surveys, takes in gross charges on account of establishment payments and the amounts deducted on account of income-tax may therefore be credited to the major head "IV, Miscellaneous Taxes—Income-tax (i Deductions by Government from salaries)" on the receipt side of the account. The officers in the Industries and Commerce Departments will pay the amount deducted on account of income-tax, to the treasury by means of crossed cheques for being credited to the head IV Miscellaneous Taxes-Income-tax I Deductions by Government from salaries.

6. The recoveries in the Railway Department will be credited direct to the heads detailed under "Income-tax" in the Railway books and in the abstracts sent to this office.

7. In the case of District Boards and Municipalities, the Presidents thereof shall recover the tax in respect of the establishments under them and send a crossed cheque to the Income-tax Officer for the amounts collected with a statement giving the following particulars:—

1. Name.
2. Period for which salary, etc., has been paid.
3. Amount of salary, etc., paid.
4. Amount exempted.
5. Amount of tax.

8. The demand notice sent by the Income-tax Officer to the assessees will be accompanied by the prescribed chellan in triplicate (being duly filled in). The assessees will present these chellans with the money to the treasury for credit under "Income-tax" in the treasury accounts. The first copy will be retained by the Treasury, the "duplicate" will be given to the party with the treasury certificate and the "triplicate" will be sent to the Income-tax Officer with a covering list daily after the close of the treasury transactions. The treasury

seal and the official designation of the officer acknowledging the amount should be clearly noted in the chellan. (*Government Order No. R. 11710-20—I. T. 5-20-42, dated 22nd April 1921.*)

NOTE.—The Income-tax Officer, Kolar Gold Fields, will receive the tax tendered to him by the assessees in the Kolar Gold Fields area instead of requiring them to remit the amount direct to the Bowringpet Taluk Treasury. These receipts will be remitted by the Income-tax Officer to the Mysore Bank, Branch, at Oorgaum daily for credit to "Dewan's deposit account". The Income-tax Officer will maintain a receipt or remittance book for remitting these amounts and obtain the signature therein, of the Manager of the Branch Bank. He will also send to the Comptrolier monthly a statement of the remittances made by him to the Bank, classified under the prescribed budget heads. (*Government Order No. R. 6018-21—I. T. 29-21-2, dated 9th May 1922..*)

9. The Treasury Officer should forward to the Income-tax Officer every month, a statement showing the collections of income-tax on interest on Government securities in the following form.

Statement showing the collections of income-tax on Government securities during.....192 .

Name of owner	Description of security	Number of security	Date of security	Amount of security	Period for which interest is drawn	Amount of interest	Amount of tax	Date of credit in the accounts

10. All refunds will be granted on the special income-tax form of refund.

The whole onus of granting a refund is on the Income-tax Officer alone and it will be a part of the duties of Departmental Officers and not of the Audit Office, to see that the rules have been properly observed.

The refund order books and the pages therein will be machine numbered. Each order of refund will be numbered serially and will be stamped with the stamp of the office of issue. The month and the date of issue will be written and not indicated by a figure.

The books of refund vouchers will remain in the personal custody of the Income-tax Officer.

An Income-tax Officer can make refund of tax to a person resident in his jurisdiction, even though the same was recovered by another Income-tax Officer and credited into a treasury other than the one on which the cheque is drawn.